



# COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 437  
LOS ANGELES, CA 90012



**MARK J. SALADINO**  
TREASURER AND TAX COLLECTOR

TELEPHONE  
(213) 974-2101

November 23, 2005

TELECOPIER  
(213) 626-1812

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

## **RECOMMENDATION TO AWARD CONTRACT FOR DELINQUENT ACCOUNT COLLECTION SERVICES (ALL DISTRICTS)(4 VOTES)**

### **IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Chair to sign the attached Contract (Exhibit 1) with Linebarger Goggan Blair & Sampson, LLP (Linebarger Goggan), to provide delinquent account collection services to the Treasurer and Tax Collector (TTC) on a contingency fee basis of twenty five percent (25%) commission on Gross Collections, for a term of three (3) years commencing upon the date of Board of Supervisors' approval;
2. Delegate authority to the Treasurer and Tax Collector to execute future amendments to extend the Contract for a maximum of two (2) one-year renewals and six (6) month-to-month extensions at the option of the TTC in accordance with the Term of the Contract;
3. Delegate authority to the Treasurer and Tax Collector to make amendments to the Statement of Work for any augmentation to collection efforts and/or any new collection methodologies as may be mandatory or deemed in the best interest of the County and negotiate a supplemental commission rate not greater than the Contract Commission Rate; and
4. Delegate authority to the Treasurer and Tax Collector to execute future amendments to modify the terms of the Statement of Work that do not materially alter the Contract, and/or to add and/or change certain terms and conditions in the Contract as required by the Board of Supervisors or Chief Administrative Officer provided County Counsel approval is obtained prior to execution of such amendments.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Treasurer and Tax Collector (TTC) currently contracts with USCB, Inc (USCB), a private agency, to provide delinquent account collection services which expires on January 31, 2006. The proposed Contract with Linebarger Goggan will ensure continuation of the delinquent account collection service needs of the TTC. The recommended Contract will commence upon your Board's approval and provide for a transition period between contractors, allowing Linebarger Goggan to initiate the operational process for referral of accounts and allow TTC to effectively wind down operations with USCB.

### **Implementation of Strategic Plan Goals**

The approval of this Contract is consistent with the County's Strategic Plan Goal of Organizational Effectiveness and Fiscal Responsibility. The recommended Contract provides for ongoing delinquent account collection services.

### **FISCAL IMPACT/FINANCING**

The recommended firm provides delinquent account collection services to supplement TTC's current collection efforts on a variety of accounts from other County departments. The County benefits from collection revenue it might not fully realize without the Contract. The firm is compensated with a contingency fee of twenty five percent (25%) of actual gross collections. There will be no cost to the County since delinquent account collection services are commission based actual collections.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

California Government Code Section 26220 allows the County, by a four-fifths (4/5) vote of its Board of Supervisors, to enter into a contract with a collection agency for the collection of delinquent accounts. Delinquent account collection services have been contracted out since 1979 to supplement in-house collection efforts to TTC.

The Contract contains the County's required provisions, including the requirement for the Contractor to notify and assist its employees with the Federal Earned Income Tax Credit application process, the consideration of qualified GAIN/GROW participants for employment openings, compliance with the Jury Duty Ordinance, Safely Surrender Baby Law, and Contractor notification to County when Contract is within six (6) months from expiration of term.

The recommended Contract with Linebarger Goggan is for a term of three (3) years with two (2) one-year and six (6) month-to-month extensions, for a maximum term of five (5) years and six (6) months. The Contractor is in compliance with all Board, Chief Administrative Office and County Counsel requirements.

The Contract expressly provides that the County has no obligation to pay for expenditures by Linebarger Goggan that exceed the maximum Contract Commission Rate.

Further, Linebarger Goggan will not be asked to perform services that exceed the Contract Commission Rate, scope of work, or Contract dates of the Contract. Additionally, the Contract contains performance standards, including liquidated damages for substandard and/or non-performance.

The attached Contract with Linebarger Goggan has been reviewed and approved as to form by County Counsel.

### **CONTRACTING PROCESS**

TTC released a Request for Proposals (RFP) on October 3, 2005 to forty-seven (47) prospective proposers. The prospective proposers are listed in Attachment I, which consists of TTC's proposers list, vendors from the County's Office of Affirmative Action Compliance Community Business Enterprise Database, and Los Angeles County's online website of vendors, by commodity. A notice of the RFP was posted on the Los Angeles County Bid Website. In addition, the RFP was transmitted to the ACA International, Association of Credit and Collection Professionals, and the California Association of Collectors (CAC). A Mandatory Proposer's Conference was held at the Kenneth Hahn Hall of Administration on Thursday, October 13, 2005, with twenty (20) firms attending. The proposal submission due date was Monday, October 31, 2005. Two firms responded with proposals by the due date: Linebarger Goggan Blair & Sampson, LLP (Linebarger Goggan), and USCB, Inc. (USCB), and two (2) proposals were submitted after the submission deadline and were returned unopened. The two accepted proposals were evaluated and rated by a committee according to their responsiveness to criteria included in the RFP.

The proposal submitted by Linebarger Goggan was the highest ranked of the proposals evaluated, proposed the lowest commission rate, and was the most responsive and responsible Proposer. Linebarger Goggan met all of the minimum RFP requirements and was complete, detailed, and responsive to the RFP. The proposal clearly demonstrated that Linebarger Goggan has a good understanding of the scope of work to be performed and the complexity of TTC's service requirements. As required by TTC, the proposal submitted by Linebarger Goggan provided a description of Linebarger Goggan's qualifications, their proposed approach to provide services, a quality control plan and internal control plan. Linebarger Goggan has verifiable experience providing delinquent account collection services.

Minority, Women, Disadvantaged or Disabled Veteran Business Enterprise statistical information for Linebarger Goggan and the USCB is included in Attachment II. Linebarger Goggan is not a certified Small Business Enterprise (SBE)/Community Based Enterprise (CBE). The recommendation of Linebarger Goggan is made without regard to race, creed or color. There are no provisions for Cost Of Living Adjustment (COLA) in the attached Contract. This is not a Proposition A Contract; and therefore, is exempt from the Living Wage Program (County Code Chapter 2.201).

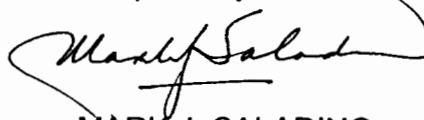
### **IMPACT ON CURRENT SERVICES**

The current Contract for delinquent account collection services expires on the date of January 31, 2006. The recommended Contract will enable the Contractor to continue the provision of delinquent account collection services for the TTC.

### **CONCLUSION**

Instruct the Executive Officer/Clerk of the Board to return two (2) signed originals of the Contract and one (1) adopted Board letter to TTC.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark J. Saladino", with a stylized flourish at the end.

MARK J. SALADINO  
Treasurer and Tax Collector

MJS:EVT:evt  
DAC Board Letter 11-18-05

Attachments (2)

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

**ATTACHMENT 1**

AAA Credit Service Coll. Agency  
Tonya Bailey  
520 N. Brookhurst, Suite 204  
Anaheim, CA 92801

American Bureau of Credit Control  
Wayne Winter  
P.O. Box 5321  
Diamond Bar, CA 91765

Calif. Business Bureau, Inc.  
Kris Richens  
1711 S. Mountain Ave.  
Monrovia, CA 91016

Council Collect/Law Offices of  
Diana Fields  
638 Lindero Cyn. Rd. 433  
Oak Park, CA 91377

Cal Coast Data Entry  
Stephanie Bennett  
11090 Artesia Blvd., Ste D  
Cerritos, CA 90703

Equity Collection Services  
David Lethers  
31192 La Baya Dr., Ste# B  
Westlake Village, CA 91362

GC Services Limited Partnership  
Karen Summers Murray  
6330 Gulfton  
Houston, TX 77081

Linebarger, Goggan, Blair &  
Sampson, LLP  
515 S. Flower St., Ste 3500  
Los Angeles, CA 90071

Metropolitan Adjustment Bureau,  
Inc.  
John Kutasi  
22212 Ventura Bl., Suite 200  
Woodland Hills, CA 91364

Progressive Asset Management  
Chris Thompson  
5924 E. Los Angeles Ave. #P  
Simi Valley, CA 93063

Accelerated Resource Mgmt.  
Andrea Bez  
2500 Viva Cabrillo Marina Suite  
307  
San Pedro, CA 90731

Ascension Recovery Management,  
LLC  
Dean Richardson  
28110 N. Avenue Stanford, Ste C  
Valencia, CA 91355

CDR Financial Services, LLC  
Julie Larkins  
110 Pine Avenue, Suite 710  
Long Beach, CA 9080

CIR, Law Offices  
Jeff Wishneski  
8031 Linda Vista Road  
San Diego, CA 92111

Daley Technology Systems  
Thomas E. Daley  
230 N. Glendora Ave.,  
Covina, CA 91724

Fidelity Creditor Service, Inc.  
Walter H. Carleton  
216 S. Louise St.  
Glendale, CA 91205

Gess and Associates  
Clint Sallee  
P.O. Box 3437  
Canoga Park, CA 91396

Los Angeles Collection Services  
Inc.  
Richard Hoffman  
2140 Westwood B.vd, Ste# 224  
Los Angeles, CA 90025

MBIA Muniservices Co.  
Doug Kitchen  
32107 W. Lindero Cyn. Rd., #233  
Westlake Village, CA 91361

Reliant Recovery Service  
Virginia Chiappone  
645 West Huntington Drive  
Monrovia, CA 91016

Allied Interstate, Inc.  
Fred Lindquist  
435 Ford Rd, Ste# 800  
Minneapolis, MN 55426

Caine and Weiner Co., Inc.  
Lou Wills  
P.O. Box 8500  
Van Nuys, CA 91409-8500

CFCA  
Sonia Engilman  
17750 Sherman Way, Suite 100  
Reseda, CA 91335

California Association of Collectors  
Jan P. Stieger  
P.O. Box 254490  
Sacramento, CA 95865

Data Center of Arizona  
Nelson Brooks  
2801 N. 33<sup>rd</sup> Ave., Ste 1  
Phoenix, AZ 85009

Fidelity Information Corporation  
Robbie Cronrod  
17383 Sunset Blvd., Ste# A-370  
Pacific Palisades, CA 90272

Integrated Credit Solutions  
Tom Rossebo  
18350 Mt. Langley, # 204  
Fountain Valley, CA 92708

Managed Healthcare Unlimited  
Inc.  
Rose Leidl  
110 Pine Ave. Suite 260  
Long Beach, CA 90802

OSI Collection Services, Inc.  
Jeff Smith  
2920 Prospect Park Dr., #200  
Rancho Cordova, CA 95670

Robinson & Associates  
Michael G. Alex  
1612 Beverly Boulevard  
Los Angeles, CA 90026

Sequoia Financial Services  
King Bechtel  
500 N. Brand Blvd., Ste# 1200  
Glendale, CA 91203

The Best Service Company  
Mark Milstein  
10780 Santa Monica Blvd., Ste  
140  
Los Angeles, CA 90025

Transworld System  
Randy Clark  
1730 W. Cameron Ave. Suite 200  
West Covina, CA 91790

Total Profit Control, Inc.  
David Barrett  
3166 E. Palmdale Blvd., Ste# 112  
Palmdale, CA 93550

USCB, Inc.  
Albert Cadena  
125 S. Vermont Ave.  
Los Angeles, CA 90004

Chris Masjedie, Esq.  
10850 Wilshire Blvd., Ste# 400  
Los Angeles, CA 90024

Sierra Receivables Management,  
Inc.  
Nannette Thomas  
P.O. Box 494070  
Redding, CA 96049

The Collection Connection  
Elaine Goldstein  
13659 Victory Blvd. PMB300  
Van Nuys, CA 91401

Transworld Systems  
Phil Adamson  
6355 Topanga Canyon Bl. Suite  
250  
Woodland Hills, CA 91367

Transworld Systems, Inc.  
Larry Eddo  
3580 Wilshire Blvd., Suite 1620  
Los Angeles, CA 90010

Union Adjustment Co.  
Lou Fratkin  
3214 W. Burbank Blvd.  
Burbank, CA 91505

GC Services Limited Partnership  
4900 Rivergrade Road, Suite C210  
Irwindale, CA 91706

STC Solutions Inc  
1100 Glendon Ave., Ste# 1250  
Los Angeles, CA 90024

Transcon Financial, Inc.  
Lorraine J. Sandoval  
2670 S. Myrtle Ave., 2<sup>nd</sup> fl.  
Monrovia, CA 91016

Transworld Systems, Inc.  
Dana Generally  
3605 N. Long Beach Blvd., Ste  
332  
Long Beach, CA 90807

Unique Management Services,  
Inc.  
Richard A. Neal, Sr.  
119 East Maple St  
Jeffersonville, IN 47130

Windhall Professionals, Inc.  
Kelly Bricault  
380 Main St.  
Salem, NH 03079

**FIRM/ORGANIZATION INFORMATION AS PROVIDED BY PROPOSERS  
DELINQUENT ACCOUNT COLLECTION SERVICES**

The following information was gathered for statistical purposes only. On final analysis and consideration of award, vendor was selected without regard to gender, race, creed or color.

<b>FIRM INFORMATION</b>	<b>Linebarger Goggan Blair &amp; Sampson, LLP</b>		<b>USCB, Inc.</b>	
<b>CULTURAL/ETHNIC COMPOSITION</b>	<b>% of Ownership</b>	<b>No.</b>	<b>% of Ownership</b>	<b>No.</b>
<b>OWNERS/PARTNERS:</b>				
Black/African American	12%	8	-	44
Hispanic/Latin American	12%	5	-	259
Asian American	0%	1	-	6
American Indian/Alaskan	0%	0	-	0
All others	76%	48	-	47
Women (included above)	24%	19	-	128
<b>MANAGERS:</b>				
Black/African American	19		8	
Hispanic/Latin American	37		38	
Asian American	1		0	
American Indian/Alaskan	1		0	
All others	77		23	
Women (included above)	76		40	
<b>STAFF:</b>				
Black/African American	190		36	
Hispanic/Latin American	386		221	
Asian American	27		6	
American Indian/Alaskan	2		0	
All others	430		24	
Women (included above)	707		88	
<b>TOTAL NUMBER OF EMPLOYEES</b>	1232		712	
<b>BUSINESS STRUCTURE</b>	Partnership		Corporation	
<b>Certified as Minority, Woman, Disadvantaged or Disabled Veteran Business Enterprise?</b>	N/A		N/A	